



Houlihan
Lokey

Specialty Finance Market Update

Spring 2026

About Our Firm

Houlihan Lokey, Inc. (NYSE:HLI) is a leading global investment bank recognized for delivering independent strategic and financial advice to corporations, financial sponsors, and governments. Our firm is the trusted advisor to more top decision-makers than any other independent global investment bank.

CORPORATE FINANCE

2025 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	Houlihan Lokey	458
2	Goldman Sachs & Co	441
3	Rothschild & Co	400
4	JP Morgan	364
5	Morgan Stanley	357

Source: LSEG.
Excludes accounting firms and brokers.

No. 1
Global M&A Advisor

Leading
Capital Solutions Group

FINANCIAL RESTRUCTURING

2025 Global Distressed Debt &
Bankruptcy Restructuring Rankings

	Advisor	Deals
1	Houlihan Lokey	83
2	PJT Partners Inc	55
3	Lazard	50
4	Rothschild & Co	44
5	Evercore Inc	33

Source: LSEG.

No. 1
Global Restructuring Advisor

1,900+
Transactions Completed Valued at
More Than \$4 Trillion Collectively

FINANCIAL AND VALUATION ADVISORY

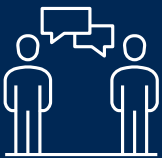
2001–2025 Global M&A
Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	1,170
2	Duff & Phelps, A Kroll Business	1,069
3	JP Morgan	1,034
4	UBS	769
5	Morgan Stanley	716

Source: LSEG.
Announced or completed transactions.

No. 1
Global M&A Fairness Opinion
Advisor Over the Past 25 Years

2,500+
Annual Valuation Engagements



Learn more about how
our advisors can serve
your needs:

Corporate Finance →

Financial Restructuring →

Financial and
Valuation Advisory →

Our Industry Coverage →

Our clients benefit from our local presence and global reach.

33

Locations
Worldwide

AMERICAS

Atlanta	Los Angeles
Baltimore	Miami
Boston	Minneapolis
Charlotte	New York
Chicago	San Francisco
Dallas	São Paulo
Houston	Washington, D.C.

~2,000

Total Financial
Professionals

354

Managing
Directors⁽¹⁾

**EUROPE
AND
MIDDLE
EAST**

Amsterdam	Milan
Dubai	Munich
Frankfurt	Paris
London	Stockholm
Madrid	Zurich
Manchester	

2,000+

Clients Served
Annually

\$10.80B

Market
Cap⁽²⁾

**ASIA-
PACIFIC**

Beijing	Shanghai
Gurugram	Singapore
Hong Kong SAR	Sydney
Mumbai	Tokyo

\$2.6B

Annual
Revenue⁽³⁾

**Fully Integrated Financial
Sponsor Coverage**

30

Senior officers dedicated to the sponsor community in the Americas and Europe.

2,000+

Sponsors covered, providing market insights and knowledge of buyer behavior.

850+

Companies sold to financial sponsors over the past five years.



(1) As of March 31, 2026.
(2) As of April 30, 2026.
(3) LTM ended March 31, 2026.



Specialty Finance

Previous and Upcoming Events in 2026



SFVegas 2026

Mortgage and Specialty Finance
February 22–25, 2026

ARIA Resort and Casino
Las Vegas, Nevada



ABF U.S. 2026 | Asset Based Finance

Specialty Finance
September 24, 2026

New York Marriott Marquis
New York, New York



ABS East 2026

Specialty Finance
October 18–21, 2026

Fontainebleau
Miami, Florida

[Register](#)

ELFA 65th Annual Convention

Equipment Leasing and Finance
October 25–27, 2026

JW Marriott Desert Springs Resort & Spa,
Palm Desert, California

[Register](#)

SFNet's 82nd Annual Convention

Asset-Based Lending
November 10–11, 2026

Marriott Marquis
Chicago, Illinois

[Register](#)

ABS & FinTech Specialty Finance Forum

Specialty Finance
December 3–4, 2026

Waldorf Astoria Monarch Beach
Dana Point, California

[Register](#)

All Upcoming Houlihan Lokey
Events and Conferences

Three Cities. ONE Vision. Presenting Our 2026 Global Conference Series.



2025 Conferences Event Highlights

4,700+

Conference Attendees

52%
Capital
Providers*

48%
Operating
Companies*

600+
Participating
Companies

~8 to 10
1x1 Meetings per
Presenting Company

130+
Panels and
Presentations

80+
Sectors
Represented

*New York and London conferences only. Includes participating companies.

Contact your Houlihan Lokey representative for more details.

About Our Financial Services Group

Houlihan Lokey's Financial Services Group has earned a reputation for providing superior service and achieving outstanding results in M&A advisory, capital-raising, restructuring, and financial and valuation advisory services.

The global Houlihan Lokey Financial Services team has more than 80 dedicated financial services professionals located in five offices around the world, including Atlanta, Chicago, Miami, New York, and Tokyo.

Featured Transactions

Transaction Pending

THE DOCTORS COMPANY

PROASSURANCE
Trust Entry

The Doctors Company has agreed to acquire ProAssurance

Buy-side Advisor

DayMark

Constellation Wealth Capital

DayMark Wealth Partners has received a minority investment from Constellation Wealth Capital

Sell-side Advisor

LIDO

Charlesbank

HPS Investment Partners

Lido Advisors, LLC, a portfolio company of Charlesbank Capital Partners, has received a strategic investment from HPS Investment Partners

Sell-side Advisor

LGM
Proud to be responsible

Marubeni

LGM Financial Services has been acquired by Marubeni

Sell-side Advisor

movoto

lower

Movoto has been acquired by Lower LLC

Sell-side Advisor

NSM

CARLYLE

NSM
New Mountain Capital

NSM Insurance Group, a portfolio company of Carlyle, has sold its U.S. commercial insurance division to New Mountain Capital

Sell-side Advisor

GSP

Garnett Station Partners

GSP 5.0 Fund
\$1,200,000,000

U.S. Middle-Market Multi-Unit Consumer and Business Services

February 2025

Exclusive Placement Agent

SUGARLOAF
WEALTH MANAGEMENT

Prime Capital FINANCIAL

Sugarloaf Wealth Management, LLC has been acquired by Prime Capital Financial

Sell-side Advisor

HEALTHCARE FUNDING + PARTNERS

Healthcare Funding Partners Senior Secured Credit Facility Refinancing and Growth Capital

\$180,000,000

Exclusive Placement Agent

Tiptree Inc.

Tiptree, Inc. Secured Credit Facility General Corporate Purposes

\$75,000,000

Exclusive Placement Agent

BYCER

TA ASSOCIATES

Brycer has received strategic investment from TA Associates

Sell-side Advisor

BISHOP STREET UNDERWRITERS

REDBIRD

LANDMARK

Bishop Street Underwriters, a portfolio company of Redbird Capital Partners, has acquired Landmark Underwriting

Buy-side Advisor

WINGED KEEL GROUP

GTCR

Winged Keel Group has received strategic investment from GTCR

Sell-side Advisor

NORTHWEST INVESTMENT CONSULTING LLC

Wealth Enhancement

Northwest Investment Counselors has been acquired by Wealth Enhancement

Sell-side Advisor

FINANCIAL SERVICES

2025 Global M&A Advisory Rankings
Financial Services Transactions Under \$5 Billion

	Advisor	Deals
1	Houlihan Lokey	66
2	Goldman Sachs & Co	59
3	Morgan Stanley	42
4	UBS	34
5	Rothschild & Co	33

Source: LSEG.
Excludes accounting firms and business brokers.

According to data provided by LSEG, our Financial Services Group was ranked as the **No. 1**

M&A advisor for global financial services transactions under \$5 billion.

**Financial Services Industry Coverage**

Industry Sector Coverage

We cover a broad array of sectors, with financial professionals dedicated to each of our primary coverage areas.



Asset and Wealth Management



Banking and Depositories



Broker-Dealers and Capital Markets



Insurance



Mortgage and Related Services



Specialty Finance and Challenger Banks

Key Facts and Figures

80+

Dedicated Financial Services Professionals

71

Completed Financial Services M&A/Capital Solutions Transactions in CY25

Six

Key Sector Verticals



About Our Specialty Finance Team

The Specialty Finance team, which operates within Houlihan Lokey's Financial Services Group, has built a strong reputation as a leading advisor across both consumer and commercial finance. Our team brings end-to-end capabilities to our clients, including M&A advisory, capital raising, restructuring, and financial and valuation advisory services.

We are deeply experienced in advising clients across business models of all types, including advisory, distribution, services, technology, and balance-sheet-driven companies. When our experience is combined with our comprehensive understanding of the industry's financial, regulatory, and competitive dynamics, we are able to more effectively analyze a full range of strategic options, such as acquisitions, divestitures, capital raising, and asset sale transactions.

Featured Transactions

The Private Equity business within Goldman Sachs Alternatives has acquired FGI Worldwide Buy-side Advisor	Champion Homes has sold its minority, non-controlling stake of ECN Capital, in relation to ECN's full sale to an investor group led by Warburg Pincus Financial Advisor	Assets of NATF have been acquired by Love's Financial Sell-side Advisor	Bluestem has sold its \$488M credit card receivables portfolio and related assets to Jefferson Capital Sell-side Advisor	AccessOne, a portfolio company of Frontier Growth, has been acquired by Phreesia Sell-side Advisor	Healthcare Funding Partners Senior Secured Credit Facility Refinancing and Growth Capital \$180,000,000 Exclusive Placement Agent
CURO Group Holdings Corp. has confirmed a "prepackaged" Chapter 11 Plan of Reorganization, restructuring approximately \$1.2 billion of prepetition funded corporate-level debt and addressing approximately \$900 million of prepetition SPV debt Secured Creditor Advisor	J.G. Wentworth Company, a portfolio company of Axar Capital Term Loan & Delayed Draw Refinancing and Growth Capital \$75,000,000 Exclusive Placement Agent	Flex Fleet Rental, LLC, a portfolio company of a fund managed by Waterfall Asset Management and TRP Capital Partners, has been acquired by Kaizen Resources, Inc. Sell-side Advisor	Nations Capital, LLC has received a majority investment from Gordon Brothers Group, LLC Sell-side Advisor	Momentum Financial Services Group has sold select U.S. stores to Populus Financial Group, Inc. Sell-side Advisor	MedShift, LLC Debt Financing \$108,000,000 Placement Agent

Subsector Coverage



Asset-Based Lending/Factoring



Payday Lending/Pawn



Auto Finance



Point-of-Sale Finance



Credit Cards



Small Business Lending



Debt Buying/Settlements



Solar/HIP/Recreation



Equipment Leasing



Student Lending



Installment Loans



Transportation Finance/Fleet



Litigation Finance

Leadership

Financial Services Group



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Contact Us

Please reach out to us to schedule a call to discuss this quarter's market update or to explore how we can serve your business needs.



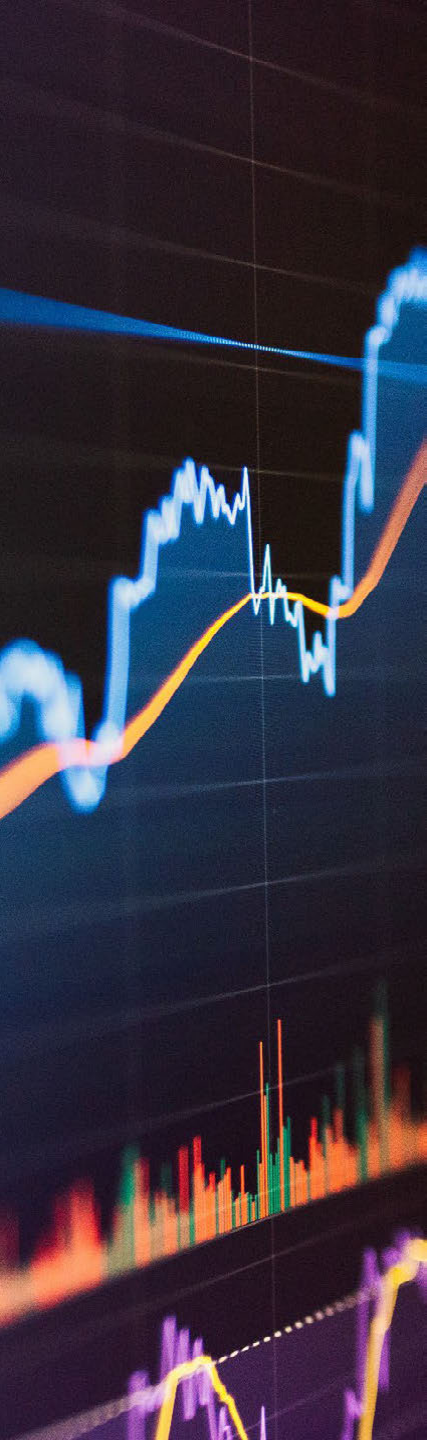
A vertical strip on the left side of the page shows various financial charts. At the top, there's a blue line chart with a white moving average. Below it, a candlestick chart with green and red bars is visible. At the bottom, a purple line chart with a yellow moving average is shown. The background is dark, and the charts are brightly colored.

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Introduction Specialty Finance Market Update

We are pleased to present our Specialty Finance Market Update for Q1 2026. Activity in the commercial and consumer finance sectors has continued its measured pace amid macroeconomic conditions.

As geopolitical and macroeconomic uncertainty persists into mid-2026, investors remain selective. Firms with disciplined underwriting and differentiated platforms are demonstrating resilience, creating attractive entry opportunities for investors.

The specialty finance market remained active during the first quarter of 2026, supported by continued investor demand in a more selective investment environment. The Federal Reserve held rates steady during Q1, following three quarter-point rate cuts implemented in 2025, allowing investors slightly more visibility into funding costs as markets weathered complex inflation and labor market dynamics. These cuts gave investors slightly more visibility into funding costs, even as markets dealt with complex inflation and labor market dynamics. The persisting macroeconomic uncertainty has led to a more selective investment environment and an increased spread between well-positioned platforms and those with more challenged credits.

Throughout Q1 2026, specialty finance platforms with disciplined underwriting, diversified collateral, and scalable servicing capabilities outperformed their peers. Institutional capital is increasingly concentrated in asset-backed and broader private credit strategies, driven by their attractive yield profiles, structural downside protection, and consistent cash flow generation.

The sector is well-positioned for growth and continued consolidation, given high levels of dry powder by strategic acquirers and financial sponsors investors capable of deploying capital across market cycles. Firms with differentiated origination channels and strong institutional funding relationships are well-positioned to capitalize on consolidation opportunities in the sector.

As our firm continues to execute in this space, we invite you to contact us to discuss past transactions, future opportunities, or the specialty finance ecosystem more broadly.



Private Fund Valuations Face Heightened Scrutiny and Governance Expectations

Opacity and Uncertainty in Private Markets

The lack of transparency in private asset valuations, particularly across complex portfolios and specialty finance assets, can obscure true risk exposure due to limited price discovery and nonstandardized valuation practices, leading to increasing pressure from investors and regulators for robust, independent valuation frameworks.

The Shifting Sands of Private Markets

Market Scale	Retail Participation	Liquidity Pressures	Regulatory Spotlight
Private funds manage ~\$31 trillion globally, with growing exposure to increasingly complex and illiquid asset classes.	Retail investors' allocations to private capital in the United States are expected to grow significantly, from approximately \$80 billion at year-end 2024 to \$2.4 trillion by 2030.	Private funds are experiencing elevated redemption requests. Several funds have introduced redemption caps or gating mechanisms, signaling liquidity stress.	Heightened SEC scrutiny focuses on how private fund assets are valued, particularly during market volatility.

Drivers of SEC Scrutiny

	Structured Credit Complexity Private credit, asset-backed lending, and structured finance portfolios require greater judgment around cash flows, defaults, and recoveries.
	Valuation Transparency Concern around subjective valuation of illiquid private credit assets.
	Liquidity Mismatch Structural mismatch between illiquid underlying assets and periodic investor redemptions.
	Conflict of Interest Internal valuation process may create incentives to overstate asset values or delay write-downs.
	Increased Scrutiny Private market valuations are under a microscope as retail investors gain exposure to alternatives.

Sources: Dechert, SEC, Deloitte.

Implications for Private Funds

Increased Regulatory Reporting	Independent Valuation Framework	Enhanced Governance
Strengthen valuation documentation, disclosure practices, and reporting frequency.	Growing reliance on third-party valuation specialists to ensure objective and defensible asset prices.	Establishment of valuation committees, robust internal controls, and clear oversight of valuation methodologies.



Houlihan Lokey

In today's volatile markets, a strong, defensible valuation framework is not just a best practice; it's a necessity.

Houlihan Lokey's Financial and Valuation Advisory (FVA) service line helps private funds build defensible, independent valuation frameworks that withstand regulatory scrutiny and investor diligence.

As private markets expand and retail exposure grows, regulators are prioritizing valuation transparency, governance, and independence. The Houlihan Lokey team combines deep expertise in private asset valuations and complex financial instruments with a practical understanding of regulatory requirements.



**EXPERT
VALUATION
FRAMEWORKS**



**INDEPENDENT
VALUATION
OVERSIGHT**



**REGULATORY
COMPLIANCE
EXPERTISE**



**ENHANCED
INVESTOR
TRANSPARENCY**



Featured Transactions Executed by Houlihan Lokey's Specialty Finance Team

Goldman Sachs Alternatives Acquires FGI Worldwide



FGI Worldwide LLC (FGI), a leading provider of working capital financing and trade credit insurance solutions, has been acquired by the Private Equity business within Goldman Sachs Alternatives.

Over its 25-year history, FGI has established a strong reputation as a leader and innovator in asset-based lending, specializing in multijurisdictional working capital solutions that support businesses with flexible financing to drive domestic and global expansion. The acquisition enables FGI to accelerate its growth and expand its suite of financing solutions for clients.

Houlihan Lokey served as the exclusive financial advisor to Goldman Sachs Alternatives.

Closed April 30, 2026

ECN Capital Announces Closing of Acquisition by Investor Group Led by Warburg Pincus and Goodview Capital



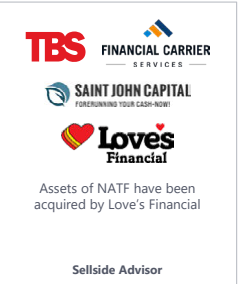
ECN Capital Corp. (TSX:ECN) announced the successful completion of the company's previously announced plan of arrangement, whereby a newly formed acquisition vehicle controlled by an investor group led by investment funds managed by Warburg Pincus LLC and including Goodview Capital Corp.

With managed assets of \$7.6 billion, ECN Capital is a leading provider of business services to North American-based banks, institutional investors, insurance companies, pension plans, and credit union partners. ECN Capital originates, manages, and advises on credit assets on behalf of its partners, specifically consumer (manufactured housing and recreational vehicle and marine) loans and commercial (floorplan and rental) loans.

Houlihan Lokey served as the exclusive financial advisor to Champion Homes, a minority shareholder of ECN Capital, in the sale of its stake in relation to the transaction.

Closed April 24, 2026

Love's Financial Has Acquired Three Freight Factoring Businesses: TBS Factoring Service, Saint John Capital, and Financial Carrier Services



The business and assets of TBS Factoring Service, Saint John Capital, and Financial Carrier Services, three freight factoring providers serving small-to-midsized trucking fleets, were acquired by Love's Travel Stops & Country Stores, through its financial services platform, Love's Financial, on December 19, 2025.

The companies provide nationwide coverage through their strategic hubs in Oklahoma City, Chicago, and Charlotte, serving approximately 3,400 customers. Love's Financial is expanding its suite of offerings to professional drivers, owner-operators, and fleets by enhancing its freight factoring capabilities and scale.

Houlihan Lokey served as the exclusive financial advisor to the companies.

Closed December 19, 2025

Jefferson Capital Has Acquired a \$488 Million Credit Card Receivables Portfolio and Related Assets from Bluestem Brands



Bluestem Brands and its affiliated entities (Bluestem) have sold their credit card receivables portfolio and related assets to Jefferson Capital, Inc. (NASDAQ:JCAP). The transaction represents a strategic divestiture of a revolving loan portfolio with a face value of \$488.2 million.

Founded in 2002, Jefferson Capital is a leading analytically driven purchaser and manager of charged-off and insolvency consumer accounts with operations in the United States, Canada, the United Kingdom, and Latin America. The company purchases and services both secured and unsecured assets, and its growing client base includes Fortune 500 creditors, banks, FinTech origination platforms, telecommunications providers, credit card issuers, and auto finance companies.

Houlihan Lokey served as the exclusive financial advisor to Bluestem.

Closed December 4, 2025



Featured Sector News

Recent developments in the specialty finance segment, including acquisitions, strategic partnerships, and refinancings.

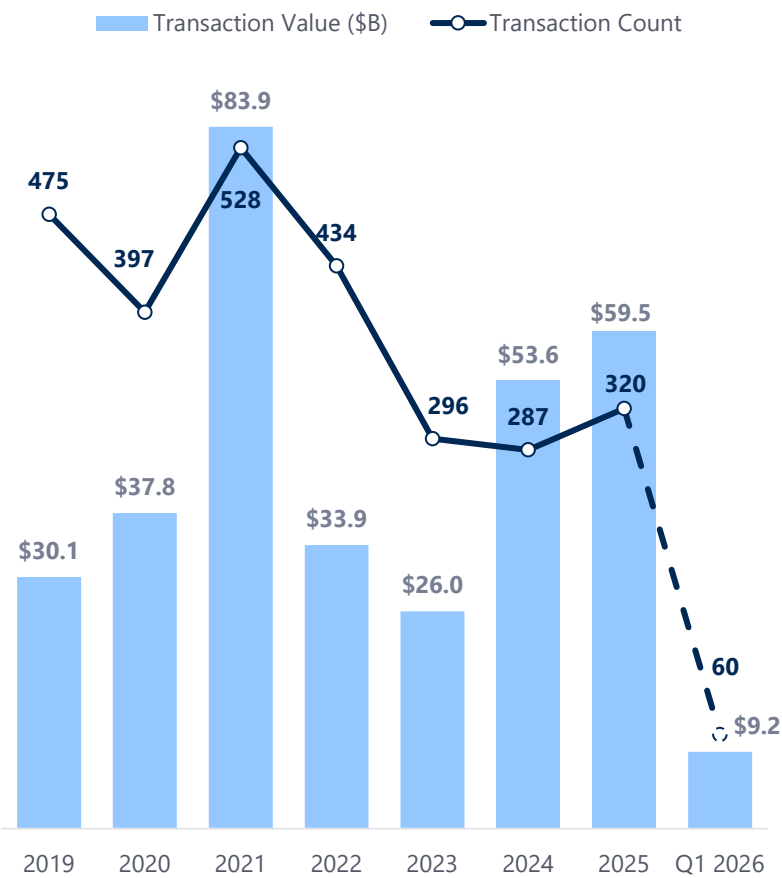
Date	Company	Description	Article Link
3/30/2026	 ELEVE X CAPITAL	EleveX Capital acquired BancLeasing, an established equipment leasing business providing community and regional banks with a fully outsourced equipment leasing platform for ~30 years.	Read More
3/17/2026	 Upstart	Upstart announced a \$1 billion forward-flow agreement with Eltura Ventures and partners to purchase consumer loans originated on its AI lending platform, strengthening funding diversity and long-term loan liquidity.	Read More
3/10/2026	 EAGLE Leasing Company	Eagle Leasing acquired the portable storage assets of Graf Bros Leasing, expanding fleet density and operational efficiency across New England and strengthening its regional market presence.	Read More
2/27/2026	 NAVIENT	Navient completed a \$683 million securitization backed by refinance student loans, achieving strong investor demand and favorable pricing while reinforcing its leadership in student loan securitization.	Read More
2/20/2026	 Upstart	Upstart sold \$333 million of auto loan assets to Bayview Asset Management affiliates, optimizing balance sheet usage and highlighting increasing institutional demand for its auto lending products.	Read More
2/18/2026	 CAN CAPITAL	CAN Capital acquired the equipment finance portfolio and platform of Republic Bank Finance, broadening its product capabilities and accelerating its growth strategy in small business financing.	Read More
2/12/2026	 Funding Circle	Funding Circle strengthened its partnership with Waterfall Asset Management by securing a £700 million, two-year forward-flow commitment with senior financing from Citi and selling an existing loan portfolio to support U.K. small business lending.	Read More
2/9/2026	 Oportun	Oportun strengthened its debt capital structure by issuing \$485 million in asset-backed securities and repaying corporate debt, lowering funding costs and improving balance sheet flexibility.	Read More
1/14/2026	 OneMain Financial	TPG and OneMain Financial extended and expanded their forward-flow partnership, committing up to \$2.4 billion to purchase consumer and auto loans, supporting funding diversification and origination growth.	Read More
1/29/2026	 PicPay	Brazilian FinTech PicPay completed its U.S. IPO, raising about \$434 million and achieving a \$2.5 billion valuation, signaling renewed international investor interest in Latin American FinTech listings.	Read More

Sources: Company websites, press releases.



Additional Specialty Finance M&A Highlights

Transaction Value and Deal Volume



Source: S&P Capital IQ as of May 1, 2026.
(1) 2024 transaction value largely fueled due to Capital One acquisition of Discover in an all-stock transaction valued at \$35.3 billion.

Notable Transactions

Date	Target	Acquirer	Deal Value (\$M)
Apr-2026	FGI	Goldman Sachs Alternatives	NA
Mar-2026	Integrated Factoring	PORTERFREIGHT FUNDING	NA
Jan-2026	pomelo	WorldRemit	NA
Jan-2026	DEBTX THE DEBT BACKBONE	HG HERITAGE GLOBAL INC.	9
Jan-2026	Founders One	EZCORP	64
Dec-2025	TBS SAINT JOHN CAPITAL Financial Carrier Services	Loves Financial	NA
Dec-2025	Katapult	Aaron's	NA
Dec-2025	PURCHASING POWER	PROG Holdings, Inc.	420
Nov-2025	greendot	COMMERCEONE	1,112
Nov-2025	ECN CAPITAL	WARBURG PINCUS	758
Oct-2025	Best Egg	BARCLAYS	800
Oct-2025	Credit Card Portfolio of bluestem brands, inc.	Jefferson CAPITAL	196
Oct-2025	GLOBAL LENDING SERVICES	SIXTH STREET	NA
Sep-2025	MERCURY FINANCIAL	Atlanticus	162
Sep-2025	accessone.	Phreesia	160

Houlihan Lokey Advised

Key Takeaways

M&A activity in the specialty finance sector has experienced a decrease in volume during the first quarter of 2026. The transaction count for Q1 2026 was down approximately 17% compared to Q1 2025.

Despite lower deal volume, total transaction value showed a significant YoY increase of approximately 22%, rising from ~\$7.5 billion in Q1 2025 to ~\$9 billion in Q1 2026. This suggests a potential shift toward fewer, but larger, strategic transactions.

As we continue through 2026, investors, including both financial sponsors and strategic acquirers, remain interested in the specialty finance sector as they look to diversify market exposure and increase their offerings in alignment with strategic initiatives. We remain confident that banks that have not participated in M&A processes for nonbank lenders over the previous few years will become active throughout this year.

Private Credit Markets Remain Robust

Direct lending volume in February totaled ~\$20 billion, up 16% from January and 45% YoY, marking the second-highest February total in the past five years. Despite a seasonal slowdown, activity remained resilient even with emerging volatility from AI-related risks. LBO volume, while down from January at \$6.9 billion, still constituted 35% of total volume for the month.

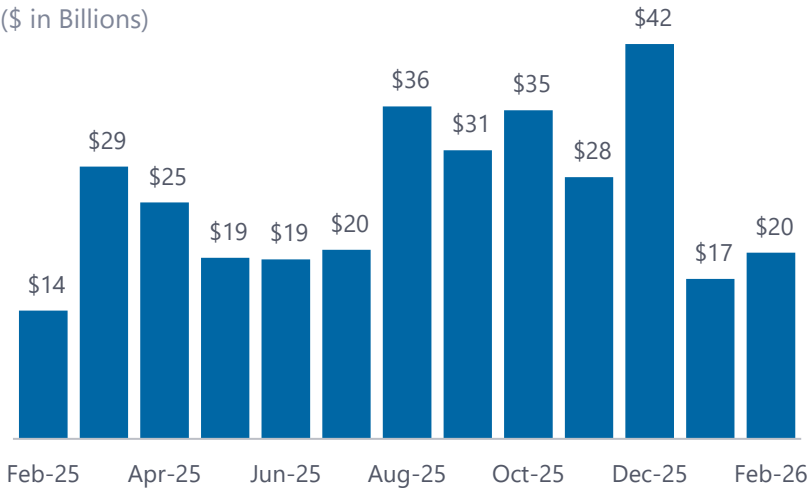
Uncertainties at both the macro and sector levels are impacting investor sentiment and constraining reliable access to syndicated credit markets. This volatility is leading to more investor-friendly terms in the upper end of the direct lending market, with spreads and OID expected to widen by 25 bps to 50 bps by year end.

All-in yields declined 22 bps in February to an average of 8.95%. Spreads on the majority of LBO direct lending loans are in the 450 bps to 499 bps range. In 2025, market activity has shown a modest preference for direct lending, with the volume of BSL refinanced by direct lending reaching \$37 billion.

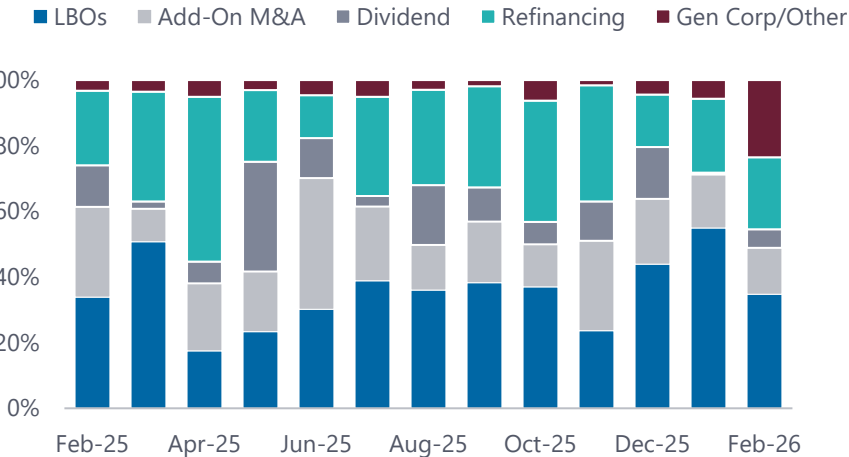
Private Credit Market Update

Direct Lending Volume

(\$ in Billions)

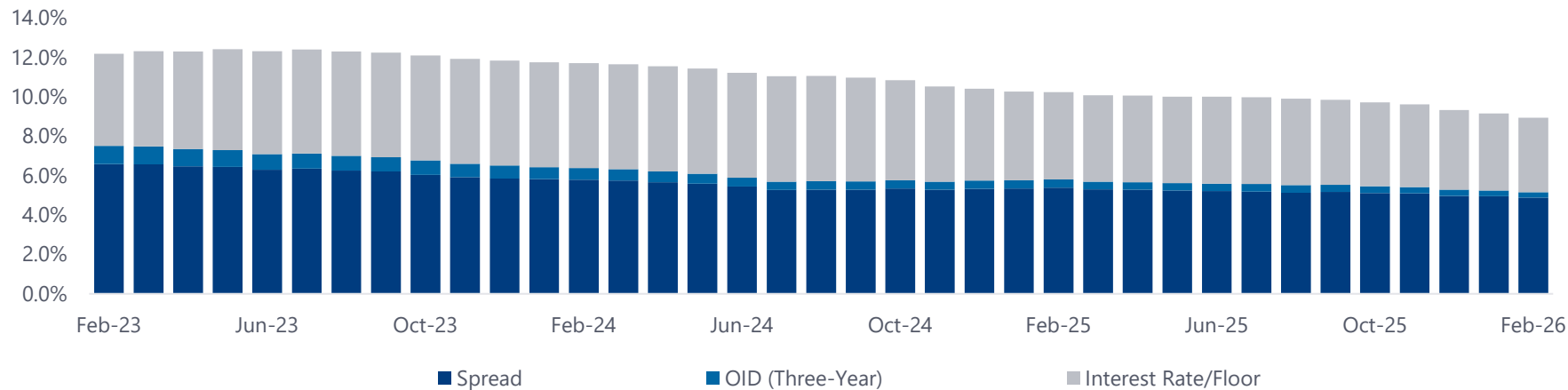


Share of Direct Lending Deal Volume



Private Credit Unitranche Yields Continue Compression

Unitranche all-in yields moved lower in February, down 22 bps to 8.95%.

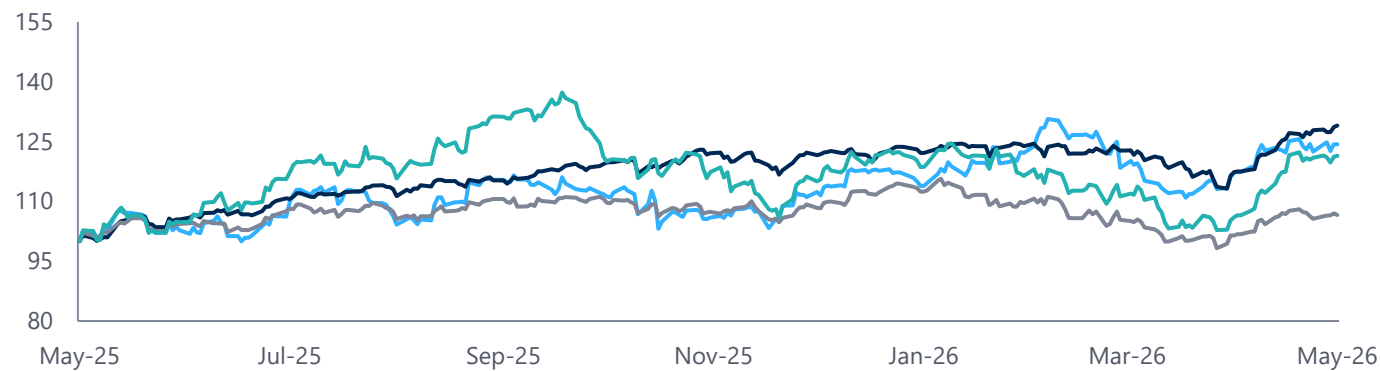


Sources: DLD Weekly, KBRA DLD, LCD, Bloomberg.
As of March 31, 2026.

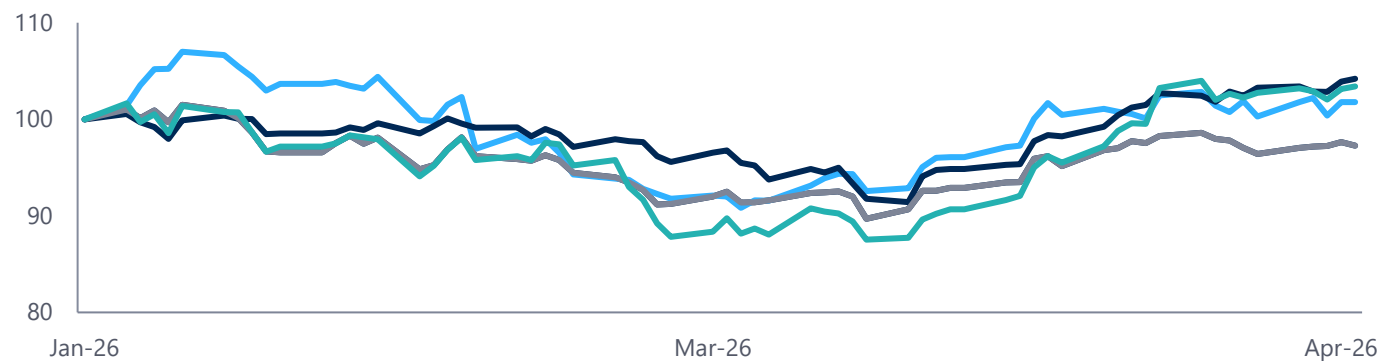


Equity Market Index Performance

LTM April 2026 Performance



January 2026–April 2026 Performance



Key Takeaways

Over the past year, the Houlihan Lokey Specialty Finance Index has increased by 21.4%, underperforming the S&P 500's increase of 29.0%.

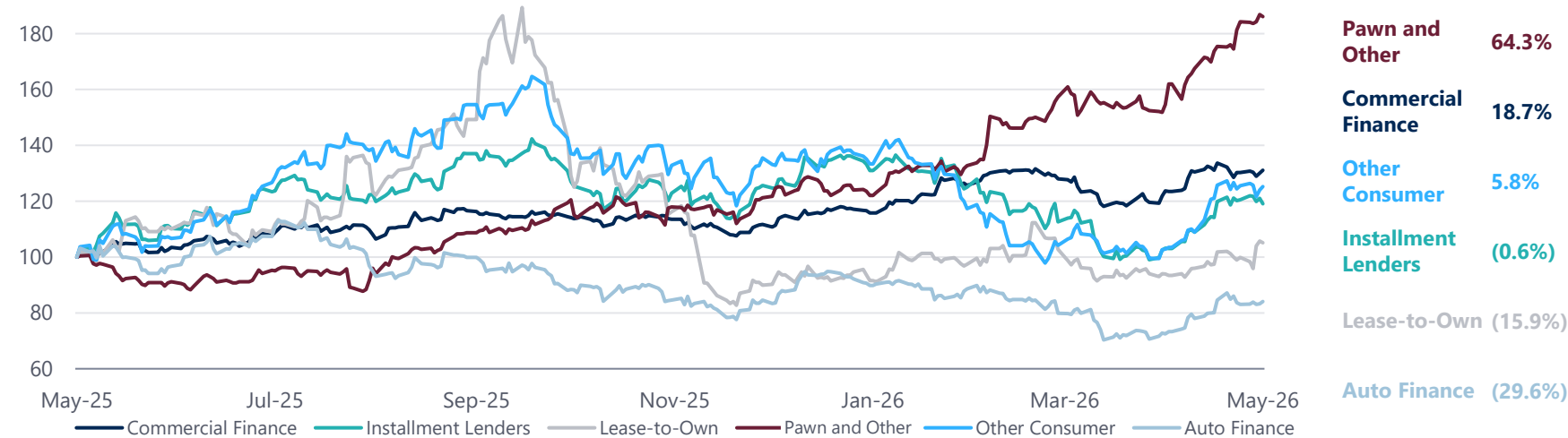
The Houlihan Lokey Specialty Finance Index posted strong gains through the first three quarters of 2025, only to pull back in Q4, weighed down by weakness in the lease-to-own segment. The index subsequently recovered much of that lost ground in Q1 2026, driven by outperformance in the pawn and other segments.

As we progress through 2026, specialty finance companies with disciplined underwriting and the ability to adapt to market uncertainty will be viewed most favorably by investors.

Source: S&P Capital IQ. Data as of May 1, 2026. All share prices rebased to 100.
(1) The Houlihan Lokey Specialty Finance Index consists of a diversified set of 38 companies across the specialty finance sector. See pages 18 to 20 for a complete list.
Changes since last report: FlexShopper and ECN Capital excluded.

Equity Market Index Performance Specialty Finance Subsectors

LTM May 2026 Performance by Subsector

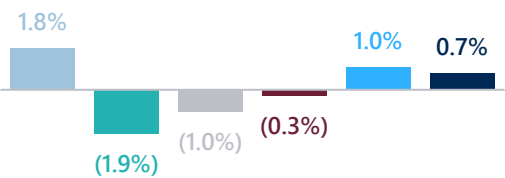


Market Performance

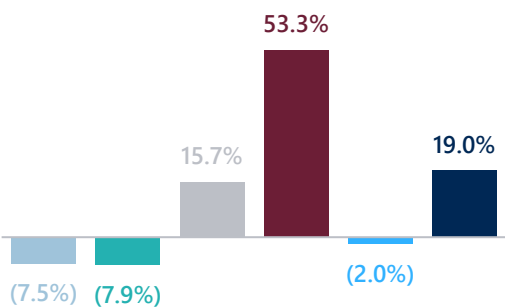
Over the past 12 months, specialty finance public equities displayed mixed performance, reflecting ongoing dispersion in underlying subsectors.

Pawn and other lenders continued their exceptionally strong performance, supported by rising demand and gold prices. Commercial finance equities have rebounded in 2026 following stronger-than-expected performance, boosted by increased lease renewal rates and easing funding costs. Auto finance equities continued their heavy underperformance relative to the broader specialty finance benchmarks through the end of Q1 2026.

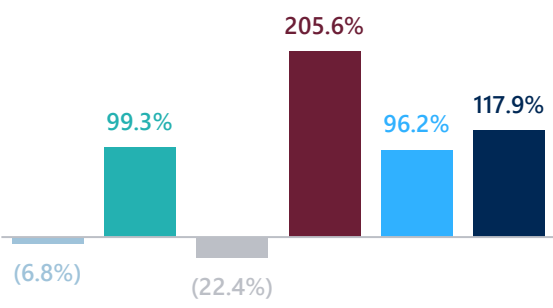
Monthly Performance



Six-Month Performance

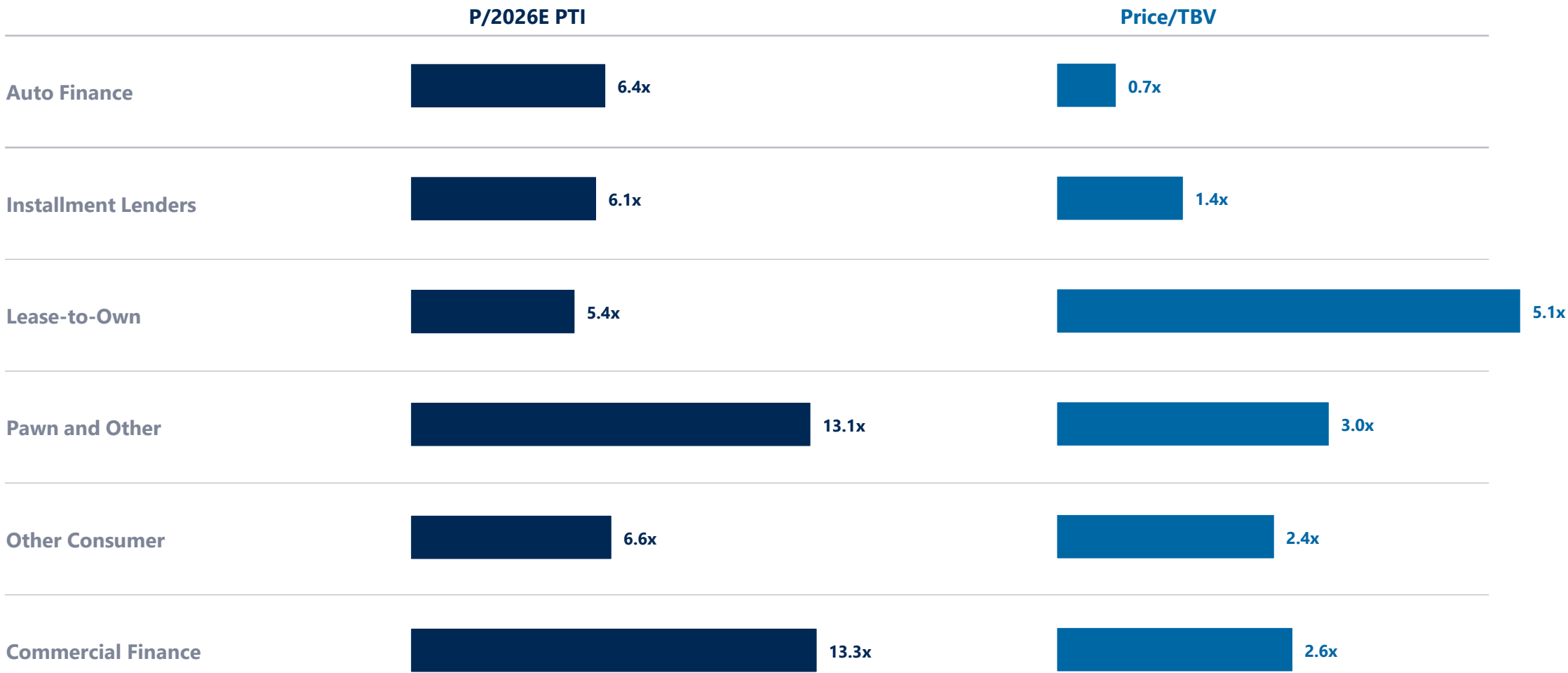


Three-Year Performance



Source: S&P Capital IQ. Data as of May 1, 2026. All share prices rebased to 100.

Public Company Valuations



Source: Trading multiples are based on share price, other market data, and broker consensus future-earnings estimates from S&P Capital IQ as of May 1, 2026.

Public Comparables

Specialty Finance

(\$ in Millions)		Market	P/Pre-Tax Inc.			P/E			Price	2025A–2027E CAGR		Pre-Tax Inc. Margin		LTM
As of 5/1/26		Capitalization	2025A	LTM	2026E	2025A	LTM	2026E	TBV	Revenue	Pre-Tax Inc.	2025A	2027E	ROE
Auto Finance	Ally Financial Inc.	\$13,646	13.0x	7.9x	6.4x	16.0x	9.8x	8.3x	1.0x	13.8%	N/M	14.3%	23.8%	9.4%
	Credit Acceptance Corp.	5,427	9.6x	9.6x	7.9x	12.8x	12.8x	11.7x	3.6x	42.4%	16.4%	45.7%	29.1%	25.9%
	America’s Car-Mart, Inc.	101	N/M	N/M	N/M	N/M	N/M	N/M	0.2x	2.8%	N/A	N/M	N/M	(18.2%)
	Consumer Portfolio Services, Inc.	198	7.1x	7.1x	3.9x	10.2x	10.2x	5.7x	0.6x	N/M	N/M	14.1%	10.4%	6.4%
	Vroom, Inc.	78	N/M	N/M	N/A	N/M	N/M	N/A	0.7x	N/M	N/M	N/M	N/A	(20.9%)
Median			9.6x	7.9x	6.4x	12.8x	10.2x	8.3x	0.7x	13.8%	16.4%	14.3%	23.8%	6.4%
Mean			9.9x	8.2x	6.1x	13.0x	10.9x	8.6x	1.2x	19.7%	16.4%	24.7%	21.1%	0.5%
Installment Lenders	OneMain Holdings, Inc.	\$6,790	6.8x	6.6x	6.1x	8.7x	8.5x	7.8x	4.2x	37.9%	13.2%	33.7%	21.2%	23.9%
	Enova International, Inc.	4,216	10.5x	10.0x	8.3x	13.7x	12.9x	9.8x	3.8x	N/M	22.4%	26.9%	13.5%	25.1%
	goeasy Ltd.	401	N/M	N/M	N/M	N/M	N/M	N/M	0.8x	N/M	N/A	N/M	N/M	(17.6%)
	LendingClub Corp.	1,972	11.1x	8.6x	7.3x	14.5x	11.2x	9.6x	1.4x	(4.7%)	43.7%	13.3%	25.6%	12.2%
	OppFi Inc.	836	5.4x	5.4x	4.2x	N/M	N/M	5.3x	N/M	46.6%	21.9%	45.7%	30.4%	53.9%
	World Acceptance Corp.	700	12.9x	15.3x	12.3x	16.4x	20.0x	15.9x	2.0x	5.7%	16.0%	9.5%	9.2%	8.8%
	Regional Management Corp.	348	6.0x	5.5x	4.9x	7.8x	7.1x	6.5x	1.0x	10.9%	25.7%	9.3%	10.0%	13.3%
	Oportun Financial Corp.	271	6.1x	6.1x	3.8x	10.7x	10.7x	3.6x	0.9x	16.6%	N/M	6.1%	7.5%	6.8%
Median			6.8x	6.6x	6.1x	12.2x	11.0x	7.8x	1.4x	13.7%	22.1%	13.3%	13.5%	12.7%
Mean			8.4x	8.2x	6.7x	12.0x	11.8x	8.3x	2.0x	18.8%	23.8%	20.6%	16.8%	15.8%
Lease-to-Own	Upbound Group, Inc.	\$1,153	10.7x	9.3x	3.8x	15.7x	13.7x	4.6x	5.1x	3.9%	N/M	2.3%	6.2%	12.1%
	PROG Holdings, Inc.	1,436	8.2x	8.2x	6.9x	9.8x	9.7x	8.0x	N/M	16.6%	22.4%	7.2%	6.9%	17.6%
	Katapult Holdings, Inc.	31	18.7x	18.7x	N/M	23.1x	23.1x	N/M	N/M	15.8%	4.8%	0.6%	N/M	N/M
Median			10.7x	9.3x	5.4x	15.7x	13.7x	6.3x	5.1x	15.8%	13.6%	2.3%	6.6%	14.9%
Mean			12.5x	12.1x	5.4x	16.2x	15.5x	6.3x	5.1x	12.1%	13.6%	3.4%	6.6%	14.9%

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of May 1, 2026.

Public Comparables

Specialty Finance

(\$ in Millions)		Market	P/Pre-Tax Inc.			P/E			Price	2025A–2027E CAGR		Pre-Tax Inc. Margin		LTM
As of 5/1/26		Capitalization	2025A	LTM	2026E	2025A	LTM	2026E	TBV	Revenue	Pre-Tax Inc.	2025A	2027E	ROE
Pawn and Other	FirstCash Holdings, Inc.	\$9,566	21.4x	19.9x	16.1x	29.0x	27.0x	20.1x	N/M	12.8%	23.7%	12.2%	13.9%	16.3%
	EZCORP, Inc.	2,022	12.3x	12.3x	10.2x	16.5x	16.5x	13.4x	3.0x	16.7%	18.7%	12.3%	11.9%	13.0%
Median			16.8x	16.1x	13.1x	22.7x	21.7x	16.8x	3.0x	14.7%	21.2%	12.3%	12.9%	14.6%
Mean			16.8x	16.1x	13.1x	22.7x	21.7x	16.8x	3.0x	14.7%	21.2%	12.3%	12.9%	14.6%
Other Consumer	SoFi Technologies, Inc.	\$20,532	N/M	N/M	21.2x	N/M	N/M	24.6x	2.2x	25.9%	N/M	14.7%	20.8%	6.6%
	Affirm Holdings, Inc.	21,412	N/M	N/M	N/M	N/M	N/M	16.9x	N/M	24.6%	N/M	7.9%	11.6%	8.9%
	Upstart Holdings, Inc.	3,022	N/M	N/M	28.0x	N/M	N/M	11.4x	4.4x	32.0%	N/M	5.1%	7.6%	7.5%
	Nelnet, Inc.	5,100	9.7x	9.7x	N/A	11.9x	11.9x	N/A	1.5x	3.3%	N/M	31.5%	0.0%	11.6%
	Pagaya Technologies Ltd.	1,146	22.2x	22.2x	7.8x	14.1x	14.1x	4.0x	2.6x	13.6%	N/M	4.0%	10.0%	13.0%
	Navient Corp.	868	N/M	N/M	9.1x	N/M	N/M	13.6x	0.4x	39.5%	N/A	N/M	16.1%	(2.5%)
	Jefferson Capital, Inc.	1,280	5.9x	5.9x	6.6x	6.8x	6.8x	7.3x	3.1x	7.7%	(4.6%)	36.0%	28.6%	43.8%
	Encore Capital Group, Inc.	1,772	5.3x	5.3x	5.2x	6.9x	6.9x	6.8x	4.0x	3.6%	4.4%	19.0%	18.9%	29.5%
	Atlanticus Holdings Corp.	1,184	7.4x	7.4x	4.9x	9.7x	9.7x	7.0x	2.0x	N/M	44.3%	28.7%	7.6%	19.7%
	Propel Holdings Inc.	633	8.0x	8.0x	5.8x	10.6x	10.6x	7.3x	3.5x	25.4%	41.9%	13.4%	14.7%	25.3%
	PRA Group, Inc.	838	N/M	N/M	5.6x	N/M	N/M	8.9x	0.9x	1.4%	N/A	N/M	12.4%	(26.0%)
Median			7.7x	7.7x	6.6x	10.2x	10.2x	8.1x	2.4x	19.1%	23.1%	14.7%	12.4%	11.6%
Mean			9.7x	9.7x	10.5x	10.0x	10.0x	10.8x	2.5x	17.7%	21.5%	17.8%	13.5%	12.5%

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of May 1, 2026.

Public Comparables

Specialty Finance

(\$ in Millions)

As of 5/1/26

		Market Capitalization	P/Pre-Tax Inc.			P/E			Price TBV	2025A–2027E CAGR		Pre-Tax Inc. Margin		LTM ROE
			2025A	LTM	2026E	2025A	LTM	2026E		Revenue	Pre-Tax Inc.	2025A	2027E	
Commercial Finance	AerCap Holdings N.V.	\$22,424	5.2x	5.0x	8.1x	6.0x	5.7x	8.4x	1.4x	(0.8%)	(21.1%)	50.6%	32.7%	22.1%
	Element Fleet Management Corp.	9,463	17.9x	17.9x	13.9x	N/M	N/M	16.8x	N/M	(22.0%)	19.6%	22.8%	51.9%	10.2%
	Air Lease Corp.	102	N/A	6.6x	N/A	N/A	8.7x	N/A	2.5x	0.0%	0.0%	N/A	N/A	31.1%
	GATX Corp.	6,960	17.6x	17.6x	17.6x	20.9x	20.9x	18.8x	2.7x	20.3%	5.8%	22.8%	16.3%	11.0%
	McGrath RentCorp	2,715	12.7x	12.8x	12.7x	17.4x	17.5x	17.4x	3.2x	3.3%	5.5%	22.6%	22.1%	13.1%
	Trinity Industries, Inc.	2,597	6.9x	6.9x	N/A	10.3x	10.2x	13.7x	3.0x	5.6%	N/M	17.4%	0.0%	23.1%
	Triumph Financial, Inc.	1,611	N/M	N/M	27.7x	N/M	N/M	N/M	3.5x	7.3%	N/M	7.6%	12.8%	3.4%
	Willis Lease Finance Corp.	1,502	9.4x	9.4x	N/A	13.2x	13.2x	10.7x	2.4x	4.0%	N/M	22.4%	0.0%	17.0%
	Funding Circle Holdings PLC	559	20.5x	20.5x	12.0x	9.0x	9.0x	14.4x	1.8x	14.3%	N/M	9.9%	14.6%	20.7%
Median			12.7x	11.1x	13.3x	11.7x	10.2x	14.4x	2.6x	4.0%	5.5%	22.5%	15.5%	17.0%
Mean			12.9x	12.1x	15.3x	12.8x	12.2x	14.3x	2.6x	3.5%	2.0%	22.0%	18.8%	16.8%
Overall Median			9.6x	8.6x	7.8x	12.4x	10.7x	9.6x	2.6x	7.7%	17.5%	14.3%	13.9%	13.3%
Overall Mean			11.0x	10.5x	9.9x	13.1x	12.5x	10.9x	2.3x	11.4%	16.2%	19.5%	16.2%	13.9%

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of May 1, 2026.

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